(b) if so, the details thereof, including the time-frame finalized, if any, therefor;

(c) the States which have not yet decided to implement the VAT regime; and

(d) the steps being taken to co-ordinate with those States to join the VAT?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) 4 States, namely, Chhattisgarh, Gujarat, Jharkhand and Madhya Pradesh, have decided to implement VAT *w.e.f.* 01 April 2006. The Government of Rajasthan have indicated their willingness to implement VAT if CST is either abolished or a clear road-map for its phasing out is given by the Government of India and the losses on this account are fully compensated.

(c) 3 States/UTs, namely, Uttar Pradesh, Tamil Nadu and Pondicherry have not yet decided to implement VAT.

(d) Under Entry 54 of List II (State List) of the Constitution of India, States Sales Tax (as also State VAT, which has replaced the State Sales Tax) is a State subject. It is entirely for the States concerned to take a decision about implementation of VAT. The Empowered Committee of State Finance Ministers co-ordinates work in this regard. The role of the Central Government is confined to facilitating the process through technical and financial assistance.

Co-operation with Saudi Arabia in energy sector

*227. SHRI V. NARAYANASAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that during the visit of the Saudi Arabia King to India they have shown interest in investing in India's energy sector and also welcomed India's investment in gas fields in Saudi Arabia; and

(b) if so, the response of Government as the country is facing severe crisis in the energy sector?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) During the state visit of the King of Saudi Arabia to India in January, 2006, the Delhi Declaration was signed by the Prime Minister of India and the Saudi Monarch on 27th January, 2006. The Declaration sets out a common vision for regional and bilateral cooperation and an agenda for cooperation in specific areas.

In terms of the Declaration, the two countries have agreed to develop "a strategic energy partnership based on complementary and interdependence". The elements of this "Partnership" shall include:

(i) joint ventures in the public and private sectors in the upstream and downstream oil and gas sectors in India and Saudi Arabia as well as in third countries;

(ii) Saudi investments in oil refining, marketing and storage in India; and

(iii) setting up of Indo-Saudi ventures for gas-based fertilizer plants in Saudi Arabia.

The Declaration provides that the two Governments would support the efforts of the business persons of the two countries to pursue cooperative projects for mutual benefit.

The Delhi Declaration is expected to provide a sound basis for profitable and mutually beneficial Indo-Saudi cooperation in the petroleum sector in the coming years.

(b) The Government of India is keen to cooperate with Saudi Arabia as per the letter and spirit of the Delhi Declaration. The advantages to India would be as follows:

(i) Indo-Saudi Cooperation will provide supplies of oil and gas to India on long term basis.

(ii) Again, participation in each other's projects in the down stream area will provide both sides with substantial quantities of petroleum products which can be utilized domestically as also exported to different parts of the world.

(iii) From gas based fertilizer projects, India could obtain urea at economical rates which would benefit India's fertilizer sector.

Demand for more supply of gas from ONGC and GAIL

*228. SHRI LEKHRAJ BACHANI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a well-known Dairy at Mehsana are repeatedly demanding for more supply of gas from ONGC and GAIL;

(b) whether they have made representation to the Petroleum Ministry;

(c) if so, reasons for ONGC and GAIL not heeding their request for